



**Lancashire Constabulary and the Office of the
Police and Crime Commissioner for Lancashire
Internal Audit Service
Combined Internal Audit Plan 2024/25**

1 Introduction

- 1.1 This paper sets out a proposed plan of work to be undertaken by the Internal Audit Service for the Police and Crime Commissioner and the Chief Constable for the coming financial year.
- 1.2 The Audit Plan for 2024/25 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). The PSIAS represents mandatory best practice for all internal audit service providers in the public sector. The PSIAS require that the internal audit service is delivered and developed in accordance with the internal audit charter, which accompanies this plan.

2 Fees

- 2.1 The plan amounts to a total resource of 220 audit days. Of this, 200 days will be provided directly by the Internal Audit Service. To ensure that the fees charged reflect the resource costs incurred the auditor and manager will be charged at different rates. The daily rate for auditors will be £380 and audit managers £450.
- 2.2 The additional 20 days relate to a piece of work on the Cyber Security Technology arrangements. Due to the technical nature of the work this will be provided by an external provider. The daily rate will be £500 per day.
- 2.3 The total approximate overall cost for the 2024/25 plan will be £88,000.

3 Roles and responsibilities

- 3.1 Responsibility for maintaining and reviewing the system of internal control and for implementing a system of governance and risk management rests with the Police and Crime Commissioner and the Chief Constable. However, the process by which the Annual Governance Statement is produced includes obtaining assurances on the effectiveness of key controls and internal audit provides one of the key sources of such assurance.
- 3.2 The Head of Internal Audit is required by professional standards to provide an opinion addressing governance, risk management and control and thereby to provide assurance that the risks to the objectives of the Police and Crime Commissioner and Chief Constable are being adequately and effectively controlled.
- 3.3 The Joint Audit Committee's terms of reference require it to review and approve the internal audit plan.

4 Production of the audit plan

- 4.1 An internal audit plan designed to provide the evidence necessary to support the opinion of the Head of Internal Audit needs to encompass coverage of the key components of each part of the opinion, namely, governance, risk management and control as well as sufficient coverage over operations as a whole either on an annual or periodic basis to enable production of a robust annual audit opinion.
- 4.2 Individual items are proposed for inclusion in the annual audit programme based on planned work deferred from 2023/24 which is still considered important; known changes to operational activity, systems or processes;

**Lancashire Constabulary and the Office of the Police and Crime
Commissioner for Lancashire: Combined Internal Audit Plan 2024/25**

review of the corporate risk registers and the Force Management Statements and information obtained from review of Scrutiny meetings, Annual Reports and Annual Governance Statements.

- 4.3 We have additionally liaised with senior management of both organisations to establish their views of those areas where independent assurance would be welcomed.
- 4.4 Where it is known that assurance will be provided from another body, (for example, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services, or the external auditors), the Internal Audit Service will not duplicate work but will take it into account if it is relevant to the overall opinion on governance, risk management and control.

5 Degrees of assurance

- 5.1 For 2024/25 we will categorise our assurance levels using one of the following four definitions:

Substantial assurance: the framework of control is adequately designed and/ or effectively operated overall.
Moderate assurance: the framework of control is adequately designed and/ or effectively operated overall, but some action is required to enhance aspects of it and/ or ensure that it is effectively operated throughout.
Limited assurance: there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of its objectives at risk.
No assurance: there are some fundamental weaknesses in the design and/ or operation of the framework of control that could result in failure to achieve its objectives.

6 Deployment of audit resources

- 6.1 The plan is stated in terms of days input, which represents our current best estimate of the way in which the audit resources will be deployed. The plan itself should however be viewed as a fluid document, with the specific content of individual reviews being subject to revision if required following the more detailed scoping meetings held with client management teams prior to formal commencement of individual audit reviews.
- 6.2 The content and outline scope of each audit within the proposed plan, as well as an estimate of the number of audit days considered appropriate, is provided in the table below:

Short title	Key elements for consideration	Audit days
Key Financial Systems and business processes		
Accounts payable	The review will consider whether controls are effective in ensuring that purchase	10

Short title	Key elements for consideration	Audit days
	ordering and creditor payment processes are valid, accurate, and timely.	
Accounts receivable	The review will consider the adequacy and effectiveness of the debt management processes in ensuring that income is maximised, collected on a timely basis, and accounted for correctly.	10
Banking	The review will consider the adequacy and effectiveness of the banking arrangements within the Constabulary.	6
Treasury Management	The review will determine the adequacy and effectiveness of the revised treasury management procedures operated to ensure that cash flow management and the resultant borrowing, and investment activities are conducted in accordance with the approved Treasury Management strategy.	10
VAT	This review will assess the adequacy of design and operating effectiveness of the revised VAT management process.	8
<i>Operational reviews and support services</i>		
Grant Governance Arrangements (PCC)	Determine the adequacy and effectiveness of the process in place for the receiving, distributing and administration of grants for projects.	20
Assurance Mapping	Support and advise the PCC in the development of their assurance mapping process.	8
Vehicle Converter Supplier	Determine the adequacy and effectiveness of the process for awarding work to the vehicle converter suppliers.	8
Governance and Decision Making	The review will consider the adequacy and effectiveness of the revised Constabulary governance and decision-making arrangements, and in particular will consider the transparency of process and rationale, and the inter-dependencies between individual board roles and responsibilities. We will additionally consider how the revised governance arrangements, combined with the updated performance management framework are aligned with the Constabulary vision and core priorities.	10

**Lancashire Constabulary and the Office of the Police and Crime
Commissioner for Lancashire: Combined Internal Audit Plan 2024/25**

Short title	Key elements for consideration	Audit days
Cyber Security	To determine the adequacy and effectiveness of the overall governance arrangements for Cyber Security including Business Resilience and Business Continuity.	15
Cyber Security	To determine the adequacy and effectiveness of Information Technology arrangements for Cyber Security. <i>This will be provided by an External Provider</i>	20
Pensions Processing	Determine the adequacy and effectiveness of the controls in place for the timely processing of pension retirements by LPPA. This will follow on from the piece of work undertaken in 2023/24.	20
Body Worn Video	Evaluation of compliance with legislation for the use of body worn videos, including, the transparency of case scrutiny where issues have been raised.	20
Outstanding suspects and Police National Computer (PNC) circulations	Evaluate the adequacy and effectiveness of the controls in place for the management of outstanding suspects and PNC circulations, including the process in place for recording on the PNC when suspects are located.	20
<i>Other aspects of the audit plan</i>		
Follow up audits	These reviews will comprise a self-assessment by management of the progress made in implementing agreed actions, and selective test checking of controls and review of documentary evidence.	19
Audit programme management activity	<ul style="list-style-type: none"> • Attendance at meetings of the Audit Committee. • Production of the annual audit plan. • Preparation of the periodic monitoring reports. • Preparation of the annual report of the head of internal audit; and. • Ad hoc advice or support as required. 	14
National Fraud Initiative	Support to Constabulary staff as required with the testing of data matches identified.	2
Plan Total		220